


**Government of the District of Columbia
Office of the Chief Financial Officer**



Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: The Honorable Vincent C. Gray
Chairman, Council of the District of Columbia

FROM: Natwar M. Gandhi
Chief Financial Officer 

DATE: April 23, 2009

SUBJECT: Fiscal Impact Statement – “Get DC Residents Training for Jobs Now Act of 2009”

REFERENCE: Bill Number 18-183, As Introduced

Conclusion

Funds are not sufficient in the proposed FY 2010 through FY 2013 budget and financial plan to implement the proposed legislation. After accounting for committed resources¹, the proposed legislation would require an additional expenditure of \$1.08 million in FY 2010 and \$4.4 million in the FY 2010 through FY 2013 financial plan period.

The Office of the State Superintendent of Education (OSSE) has requested a funding commitment from the Department of Employment Services (DOES) of approximately \$677,000 for FY 2010 and \$2.7 million for the financial plan period. These monies would be federal funds as authorized by the Workforce Investment Act as well as other discretionary federal grants. The OCFO has not been able to obtain a confirmation from DOES at the time of the writing of this fiscal impact statement. Should that commitment be secured, the negative financial impact of the proposed legislation could be reduced to \$461,000 in FY 2010 and \$2.05 million during the four-year financial period.

Per the proposed legislation, any part of the programs created by this legislation and not funded by federal funds would be implemented subject to appropriations of local funds.

¹ According to the Office of the Deputy Mayor of Education, current funding commitment for this legislation is \$60,000 per year.

Background

The proposed legislation would require the Mayor to establish evening, weekend and summer adult career technical training for industry certification for District residents at the Phelps Architecture, Construction, and Engineering High School, the Academy of Construction and Design, Cardozo Senior High School and the Hospitality Public Charter School at Roosevelt High School in partnership with existing career technical education programs. The programs would partly be offered during non-traditional school hours at District owned facilities and can be offered by trade associations, professional groups, unions, non-profit and other groups certified to provide adult career technical training ("certified entities").

The proposed legislation requires that the funding for the proposed programs would be administered from federal funds received specifically to support adult career technical training programs as authorized by the Workforce Investment Act. Certified entities would be required to submit competitive proposals that will match current and future employment needs within the District as identified by the Mayor. All programs created by this legislation that are not funded by federal grants shall be subject to appropriations. The proposed legislation also requires the Mayor to seek additional federal funds that might be available through the Workforce Investment Act, the Carl D. Perkins Career and Technical Education Act, and through Federal funding that may be available for career technical training in the form of competitive grants under the American Recovery and Reinvestment Act of 2009.

Finally, the programs would be implemented within 8 months of the enactment of the proposed legislation. Therefore, the relevant period for the fiscal impact analysis is the FY 2010 through FY 2013 budget and financial plan period.

Financial Plan Impact

Funds are not sufficient to implement the proposed legislation. Full implementation of the legislation, which would serve 250 District of Columbia residents annually, would require \$1.1 million in FY 2010 and \$4.7 million in the FY 2010 through FY 2013 financial plan period. Details of the cost of the programs are provided in the table below. The cost estimates are based on the information received from the Office of the Deputy Mayor for Education, reflecting the current plans regarding the expansion of the adult education and training programs as required by the proposed legislation.

The table also provides information for the funding currently identified or planned for the proposed legislation. In addition to \$60,000 in Carl D. Perkins funds that would be committed through the University of the District of Columbia (UDC), OSSE has requested a funding commitment from DOES of approximately \$677,000 for FY 2010 and \$2.7 million for the financial plan period. These would be federal funds as authorized by the Workforce Investment Act as well as other discretionary federal grants.

Should these commitments be realized, a total of \$60,000 from UDC and \$677,000 through DOES would be available to implement this legislation in FY 2010, and annually thereafter. These commitments could reduce the negative fiscal impact of this legislation to \$461,000 in FY 2010 and \$2.05 million during the four-year financial period.

Fiscal Impact of B18-183 "Get DC Residents Training Now Act of 2009" on FY 2010-FY 2013 Budget and Financial Plan					
	FY 2010	FY 2011	FY 2012	FY 2013	4 Year Total
Proposed Adult Technical Training Programs:					
<u>Cardozo Pre-apprenticeship Program:</u>					
Residents served	50	50	50	50	
Total program cost ^a	\$272,300	\$280,469	\$288,883	\$297,550	\$1,139,202
<u>Roosevelt Hospitality & Culinary Arts Programs:</u>					
Hospitality Program:					
Residents served	90	90	90	90	
Total program cost ^b	\$207,000	\$213,210	\$219,606	\$226,194	\$866,011
Culinary Arts program:					
Residents Served	18	18	18	18	
Total Program Cost ^D	\$250,416	\$257,604	\$265,009	\$272,635	\$1,045,664
<u>Phelps Architecture, Construction, and Engineering Program ^c</u>					
Residents Served	92	92	92	92	
Total Program Cost ^D	\$409,032	\$419,923	\$431,141	\$442,695	\$ 1,702,790
Total Residents Served	250	250	250	250	
Total Adult Training Costs	\$1,138,748	\$1,171,206	\$1,204,639	\$1,239,074	\$4,753,667
Sources of Funds:					
UDC Commitment of Carl D. Perkins Funds ^c	\$60,000	\$60,000	\$60,000	\$60,000	\$360,000
<u>Funds Requested but not Committed:</u>					
DOES Funding Requested ^f	\$676,928	\$676,928	\$676,928	\$676,928	\$2,707,712
Culinary	\$239,613	\$239,613	\$239,613	\$239,613	
Hospitality Services	\$195,000	\$195,000	\$195,000	\$195,000	
Cardozo Program	\$242,315	\$242,315	\$242,315	\$242,315	
Total Committed Funding	\$60,000	\$60,000	\$60,000	\$60,000	\$360,000
Total Cost of Programs	\$1,138,748	\$1,171,206	\$1,204,639	\$1,239,074	\$4,753,667
Fiscal Impact Considering Committed Funding Only	(\$1,078,748)	(\$1,111,206)	(\$1,144,639)	(\$1,179,074)	(\$4,393,667)

^a The cost per student includes the cost of both technical career training (\$3,946) and job readiness training (\$1,500) provided by UDC's Workforce Development Program. Includes all operating costs. There are no costs for facility usage because the proposal would expand the number of seats available in an already existing program

^b Does not include a facilities usage fee because DCPS already receives fees for space usage.

^c The specifics of the Phelps training program are still under consideration; therefore per pupil cost estimates were not available at the time of this analysis. However, given that the model for Phelps construction program will likely be similar to that of the Cardozo program, the per pupil costs for the training component were used to estimate the cost of the Phelps program. A job readiness component may be added to the Phelps program, which would increase the cost per pupil by approximately \$1,500.

^d Includes OCFO estimate regarding facilities costs.

^e UDC has agreed to commit Carl D. Perkins funds towards the job readiness training for the Cardozo Preapprenticeship and the Roosevelt Hospitality programs.

^f OSSE has requested approximately \$677,000 annually to support the proposed adult training programs. According to the Department of Employment Services and the Deputy Mayor of Education, the DOES funding support would likely come from additional WIA funding the agency received from the American Recovery and Reinvestment Act of 2009 and/or discretionary grants received by DOES.